



ALTERATION OF THE MONEY LAW.

To wall round about it till it is shapen out straighly and fitly, and then to set it up at last the blinnes moisteresse felow farrast away off
as you see it myselfe wrynt not therwyl that gan thidre dayes of hys selfe settyngh gold to make hys selfe wrynt or al synglynd as yf HMC
governewt all ymperis and kynges as al bold to wrynt he wrynt it selfe stand on his seynteress on almyghty goddes quide. He wrynt
goddes quide.

A SYSTEM DESIDERATED WHICH WILL RETAIN ALL THE PRESENT SECURITY WHICH WE HAVE FOR THE PAPER CIRCULATION, AND AT SAME TIME PROVIDE FOR THE PRICE OF GOLD RISING AND FALLING, LIKE OTHER COMMODITIES, WHEN ITS VALUE CHANGES IN THIS COUNTRY.

MURDUGAN'S LECTURES ON MONEY.

Editor, — I have the honor to enclose a copy of an article

TO THE EDITOR OF THE WITNESS.

Edinburgh, 6th January 1840.

SIR.—I sincerely trust that Mr Duncan, in his forthcoming lectures, may confine himself to the question of MONEY, and avoid, for the present, the question of currency. PAPER MONEY I understand to be paper made by law a legal tender, while paper CURRENCY is the issue of the stock and private banks, which are not a legal tender; and I am a monetary reformer, but not a currency reformer (except that I would do away with the monopoly part of Sir R. Peel's act of 1844, thus throwing banking open to all), subject to the same restrictions, and enabling the present banks to increase their issues as they increase their paid-in capital).

To constitute a man a monetary reformer, I don't see that he should hold that confidence is to be created by an enlarged issue of bank-notes. I view this as putting the cart before the horse; as I see that we must first create confidence, and look to that as sure to call for and sustain increased issues of paper. In fact, to my mind, THAT MAN IS A MONETARY REFORMER WHO DESIRES TO SEE PAPER MONEY A LEGAL TENDER, thus enabling gold to find a price in the market equivalent to its value.* The public at present gets no profit by the circulation; and the country would be no worse off if Government were to constitute a bank of issue, by simply taking twenty millions of sovereigns out of circulation, and issuing in their stead paper pounds as a legal tender. Thus we see that no one need run away with the idea, that to monetary reform an issue of paper, 'based upon nothing,' is necessary. MONETARY REFORMERS WANT TO MAKE THE EFFECT OF THE EXPORT OF GOLD, OR AN ADVERSE STATE OF THE FOREIGN EXCHANGES, TO BE, TO REDUCE THE EXCHANGABLE VALUE OF MONEY, AND NOT, AS AT PRESENT, TO CAUSE A FALL IN PRICES OF COMMODITIES AND WAGES; and such a note as the following would complete this object (as well as meet an extraordinary importation of gold from California or elsewhere).—THE GOVERNMENT BANK OF ISSUE PROMISES TO PAY TWENTY SHILLINGS STERLING, OR A QUARTER OF AN OUNCE OF GOLD, WHEN ITS VALUE IS 80 PER OUNCE, LESS GOLD BEING PAID WHEN THE PRICE IS HIGHER, AND PROPORTIONALLY MORE WHEN THE PRICE IS LOWER, THAN £4 THE OUNCE.

We must promise to pay a value in gold, and not a certain quantity of gold, as at present.—Yours very respectfully,

ISAAC BUCHANAN.

* To fix the price at which gold could be demanded, Parliament might appoint five London merchants, superior to all Government and Bank influence, as Commissioners, who would daily publish the market price of gold in the *London Gazette*, and in all the large towns of the United Kingdom. (From 'Jottings on the Subject of the Currency' addressed by me to Lord George Bentinck, as Member of the Committee of the House of Commons on the Commercial Distress of 1847, dated New York, 10th March 1848.)

PROPOSED SYSTEM OF MONEY OR LEGAL TENDER.

TO THE EDITOR OF THE WEEKLY REGISTER.

Edinburgh, 6th January 1840.

SIR.—Your judicious remarks on the forthcoming lectures in the Philosophical Institution have attracted my attention. Mr Duncan's views, however, I am aware, extend only to the removal of those impediments to nature which Sir Robert Peel has created. He is not a quack doctor, pretending that he can do more in the cure of the country's social diseases, than the removal of those morbid influences which weigh down the natural energies of the country's industry, and make a permanent recovery of mercantile life and confidence impossible. I have been long a student of the currency, and since the American panic of 1837, my attention has been incessantly bent on monetary science, which I then recognized to be at once by far the most important of our national subjects, and one of the least understood of them. I saw that a low fixed price

of gold must in every country create low prices of commodities and of wages, while in this country, with the foreign exchanges against us, it must precipitate the export of gold, or in other words the loss of bank facilities, and the consequent reduction of the employment of the population. Up to 1846 the former evil (the lowering of prices) was what alone we had to contend with. The foreign exchanges being kept in our favour by the protective system, the foreigner had no claim on this country for gold at any price, so it was of no consequence, as far as I was concerned, at what price we fixed it. But in 1846 Sir Robert Peel adopted the principle of free imports, and, if reciprocity to such an extent as on the whole trade with foreign countries to give us back as much specie as other countries take from us be not attained, our banking system will be upset; the second evil I always contemplated, the reduction of employment, coming to be realized in the cruel exposure of our masses, and ending, I fear should, in social convulsion.

I think all parties must therefore hail the arrival among us of Mr Duncan, or any other talented exponent of so materially vital a subject, as an event to be improved. Whether we agree or not with the particular remedy proposed, we cannot shut our eyes to the fearful social position in which we may be landed by the disorganization of our monetary systems through the withdrawal of gold—the basis of our mighty superstructure of commercial confidence. I may mention that the great error of most currency reformers is one with which I feel Mr Duncan is to some extent chargeable; THEY MINGLE UP OR CONFFOUND THE QUESTIONS OF MONEY AND BANKING. In the extract which you give of Mr Duncan's speech in Glasgow, he says 'When this happens (the exportation of specie), the Bank of England is compelled by the Bill of 1844 to contract its issue of paper pounds, which occasions a ruinous derangement of all commercial circles.' Now, I contend that it is Sir R. Peel's bill of 1846 that compels this, and that prudence would dictate the curtailment of the paper circulation, *in the face of an export of gold*, equally as if the Bill of 1844 had never existed. I view the science of our MONEY to be embodied in the Bill of 1819, and the arrangements of our Banking to be contained in the Bill of 1844. Currency reformers may support the latter (especially if UNDER THE RESTRICTIONS of that act all were free to commence new banks), and the monetary movement should be entirely confined to the overthrow of the bill of 1819.

I am not afraid but that we shall have plenty of circulation if we could only get CONFIDENCE. To expect confidence to be created by an increased issue of paper is to put the cart before the horse. Give us confidence, and we shall soon have plenty of paper money. On what, then, does confidence depend? I may answer, on the presence of gold or other perfect security, that a paper circulation, sound and sufficient quantity, will be maintained at all times, without our foreign trade having the power to disturb it.

The popular prejudice runs in favour of gold and silver, and I see no sufficient reason why we should not humour it, and retain these commodities in the security of the circulation. I WOULD BY LAW REQUIRE THE BANK OF ISSUE, WHOSE NOTES ARE MADE A LEGAL TENDER, NEVER TO HAVE LESS THAN TEN MILLIONS IN ITS VULTS, AND NEVER TO HAVE LESS THAN TWENTY-FOUR MILLIONS OF NOTES IN THE HANDS OF THE PUBLIC. Such would be the permanent basis on which I would build my SYSTEM OF CONFIDENCE. No change need be made in the present arrangements, and the Bank of England might go on issuing the Fourteen Millions without specie, and Ten millions represented by bullion, were it not that

* For instance—with wages near the starvation point in this country, the foreigner finds he can for £4 get either an ounce of gold or 80 yards of cloth at 1s per yard, and he may probably take the cloth in preference; but as soon as property raises prices, say to 1s 3d per yard, the foreigner finds his advantage in taking away our gold, which, from its being fixed price, will not buy out the cost of the cloth he can now only get 61 yards for £4. This state of things is the more galling and positively unjust to our home industry, as it is clear that for the commodity which the foreigner himself imported he must have got the paper, or 'property' price.

the paper, under my system, would be payable in the British or London market price of gold of the moment—thus involving the possibility of a loss, as well as a gain, to cover the chance of which to the public the Crown must have the use, without interest, of the £14,000,000 not represented by bullion. Under my plan, therefore, the Government would at once establish a bank of issue, giving to the Bank of England PAPER & LEGAL TENDER for Twenty-Eight Millions, say the debt of £14,000,000, and specie to the same amount. This bank of issue would pay its notes at the market price of gold and silver, until the notes in the hands of the public go down to £14,000,000, when they become inconvertible until they again rise to £14,000,000, (showing Fourteen Millions of specie in the vaults).

It will be clear to you that my object is to revolutionize our monetary system back to Mr Pitt's system, which existed from 1797 to 1819, although we have in our power (what Mr Pitt had not) to SECURE THE BANK-NOTE CIRCULATION BY GOLD WHILE WE DO AWAY WITH GOLD AS A FIXED STANDARD OF VALUE. I am a bullionist, but not a 'fixed standard bullionist' (whose principle crushes down prices and wages), and not to the extent of paying away to foreigners our specie after it gets down to that certain amount which our own home trade requires, and without which our national employment dies a natural death. My pound-note would run thus—THE GOVERNMENT BANK OF ISSUE PROMISES TO PAY THE BEARER TWENTY SHILLINGS STERLING, OR A QUARTER OF AN OUNCE OF STANDARD GOLD, WHEN THE FOREIGN EXCHANGES ARE AT PAR, AS EVIDENCED BY THE PRICE OF GOLD BEING EIGHTY SHILLINGS THE OUNCE, LESS GOLD BEING GIVEN WHEN GOLD IS HIGHER IN PRICE, AND PROPORTIONALLY MORE WHEN THE PRICE OF GOLD IS LOWER THAN £4 THE OUNCE.

If what you say of the discoveries of gold in California be true, we shall have all men with fixed incomes turning against the fixed price of gold, for it is clear that if gold becomes greatly increased in QUANTITY it will become proportionately diminished in exchangeable VALUE, and the only safety for men of money will be to HAVE THE LEGAL TENDER ALTERED FROM BEING A FIXING QUANTITY TO A FIXED VALUE OF GOLD.

In conclusion, I may just remark that, as under my system the Bank of Issue would be entitled to issue to the value of the gold in its vaults, any vacuum caused by such an export of gold as should raise its price, could at once be filled up by an extended issue of paper money. On the other hand, the paper would have to be taken in as importations of gold reduced its value; to provide for which loss to the bank the public would have any gains that may formerly have arisen from gold rising, and also the profits of the circulation of the fourteen millions not based on bullion.

The private and joint-stock banks would go on circulating as at present, holding the paper of the bank of issue to the same extent they now hold specie. Their issues are not, of course, a legal tender, and should be termed PAPER CURRENCY, in contradistinction to the paper coined by Government, and made by LAW MONEY, or legal tender.

My object in asking you to insert these lengthy remarks is to show the vital importance of the subject on which Mr Duncan is about to lecture in Edinburgh, and also to explain that we may support the principle of Sir R. Peel's bill of 1844, and retain gold as the security of our bank-note circulation, although we practically reform the currency by repealing Sir R. Peel's bill of 1819, thus doing away with the fixed gold standard. This effected, the exportation of gold, or an unfavourable state of the foreign exchange, would be expressed by a rise in the price of all other commodities similar to that which occurs with gold, thus lessening the exchangeable value of money; whereas, under Sir R. Peel's system, which we now have, money rises in proportion with the demand for gold, and this rise is expressed not only in the rise of interest, but in the DREADFUL DEPRECIATION OF ALL COMMODITIES AND WAGES.

Yours very respectfully,

ISAAC BUCHANAN,

Formerly Member for Toronto in the first Parliament of United Canada, and President of the Boards of Trade of Toronto and Hamilton, Upper Canada.

LEGISLATION ON GOLD.

WAI YEN MOU HUO MOITAHTIA

The most fearful social convulsions could not fail to arise out of any successful attempt in Parliament to perpetuate the principle of Sir R. Peel's Money Law of 1819, by so changing its details as to lower our fixed Price of Gold down to the value to which Gold may fall abroad; for we deserve ourselves if we suppose that the Working-Class still remains ignorant as not to know that the lowering of the price of Gold is an equivalent term for raising the purchasing power of money—*in other words*, for lowering the exchangeable value of property, commodities, and labour. The Working-Class have been taught by long and most cruel experience, that the principle of the Money Law of 1819 practically denies to British labour the reward which the Law of Supply and Demand would naturally award to it, by leading to the export of Gold (which upsets the country's Banking facilities), and thus contracting the currency whenever the Foreigner prefers taking Gold, which he of course does, unless the price of British Manufactures approximate in cheapness to that of Gold (even although that same Foreigner did not import into this country Gold, or other commodity sold at the cheap rate, but had availed of a Paper or prosperity price for the Foreign Commodities in payment of which the imbecility of our Law puts it in his power to take Gold at a cheap price). They now see clearly, that the fact of Gold being absurdly fixed at the same low rate when it is in the greatest demand as when it is in the smallest demand for exportation as a commodity necessarily fixes down, as the general rule, to the same low, untaxed, and profitless standard the remuneration to the producers of British Commodities, which have to be sold against Gold as a Commodity to Foreigners, as well as into Gold as a Money to our own people in the same market! Our Official and Annuitant Classes thus participate in the monstrously undue advantage which the bill of 1819 gives to the Foreigner over the British Artisan, and this sacrifice of our Working-Classes operates a permanent reduction in the price of British products, by so prostrating the British producer himself that he ceases to be a consumer of other than the mere necessities, a large proportion of which, being eatables, now are (under our reciprocal Free-Trade system) the product of foreign labour, in payment of which the Foreigner will never take anything but Gold till compelled to do so by the price of Gold in this country being at an advance over the price abroad, equal at least to the amount of the taxation paid by our Artisans, and the fair profit which the free and unrestricted operation of the natural regulator of prices (the influence of the Law of Supply and Demand in his particular trade) would award him. And, as in this state of degradation in the circumstances of our Working-Classes, few Working Men are in so independent a position as to be able to attend to Politics or Public Questions without fatally injuring their families, it has necessarily followed, that the Working Men have been able to get few leaders among themselves except bad men and bad subjects, who, by their conduct, have deserved the triumph of the great Chartist Principle—UNIVERSAL SUFFRAGE. Now, however, a total change in their views of what is their true interests is coming over the convictions of our Working Men which cannot fail to secure them the active sympathy and co-operation of all our Proprietary Classes. The Working-Classes, in their sinking condition, have eagerly caught at such absurdities as Organizations of Labour, Communions, and Associationism, from which the Capital Classes were excluded, just as sinking men catch at straws; but straws they have found these delusions to be (however well intended), and our Labouring Masses will no longer permit their reason to be insulted by the silly doctrine that labour is a separate interest. The Working Men now see that the only possible cause of increased wages is increased employment, which can only arise from improving the condition of the employers of labour; and as the Working Men's distresses having led them into a much better knowledge of the Money Question (which is in reality the question of labour) than is possessed by the Middle Classes, they see that to increase the number of bidders for their labour, the only means of raising their wages permanently, such an alteration of our Money Laws must be made as will permanently REDUCE THE EXCHANGEABLE VALUE OF MONEY, as when less property and a smaller quantity of commodities come to stand for the same amount of Money, it is evident that less of the Working Man's time and labour will do the same thing. Thus the interests of all classes except the Officials, Annuitants, and Money-mongers, are seen to be the same, and inseparable; and as thousands of the Upper and Middle Classes have no objection to Chartist principles (although they reprobate the conduct of many of the Chartist leaders), Chartist, under an improved leadership, will soon be in a position to demand and to carry UNIVERSAL SUFFRAGE AS THE ONLY MEANS TO THE GREAT COMMON END in view, if the Money power is found to be so strong in Parliament, as at present constituted, as to prevent justice being done to the labour of the country by the repudiation of the Monetary Schemes of Sir Robert Peel and the usurers.

THE QUESTION OF MONEY—HOW IT WILL BE AFFECTED BY LARGE IMPORTS OF GOLD FROM CALIFORNIA.

TO THE EDITOR OF THE WEEKLY REGISTER.

Edinburgh, 24th Feb., 1849.—Sir,—The late clever article of the "Times," on the manner in which an unusually great import of gold would operate on the currency, has delighted as much as it has surprised all monetary reformers. It has been somewhat altered by certain observations and tortuous hints in a December number of Sir Robert Peel's organ, the "Morning Chronicle," as to the adjustment which might become necessary between our national interests. To narrow observers it is clear that the "Times," that greatest engine of public opinion, has no less certainly reversed itself because it has as usual had ability to do so without the notice of the general public, and that it is now playing an incomparably against the first national villainy that it has hitherto played studiously for these Jews and money-mongers. And the monetary reformers may well be satisfied with this *prestidigitation*, although no man can understand or explain how, on the same principle, the "Times" could in January contend for the price of gold being by our law kept fixed at the foreign price of £4, and in February contend against the law being altered so as to reduce its price to the foreign level when the value of gold fell abroad. What a comedy it is like to find the difference between the present position of the "Times" and the views of the monetary reformers against whom it has so long and so ably battled! They have insisted that gold should be permitted to rise from £4 the ounce, to £5, and the "Times" does not now object that gold in price should remain fixed at £3, although its value abroad reduces to £3.

No one can help praising the consistent honesty of the "Times" in its decision that, in 1819, gold was by law fixed down to a price lower than its natural or average price in this country, without the debtor class being enabled to discharge their debts with proportionately less gold, so in 1849 the debtor should have the same unjust advantage over the creditor class, as the least reparation the latter could offer. Monetary reformers must however deplore that the "Times" and the bullionists should have taken so low a position in this matter, and consequently view the question as one only between money and property *restitutio*, instead of seeing the chief importance of money to be as a machinery for the production of property and its proper distribution, so as to give the greatest possible advantage to the industrial classes as opposed to the lazy rich, annuitants, or non-producers of wealth. And we can neither be certain that the bullionists will act like the "Times" at the present juncture, nor that the present fortunate decision of the "Times" will not be reversed when the bullionists do it their most unfortunate opinion as to the money charge in 1819. In fact, as bullionism in the past has been the antithesis of patriotism, we can scarcely expect the bullionists now to adopt THE PRINCIPLE OF THE MONETARY REFORMERS, THAT THE DEVELOPMENT OF THE NATIONAL INDUSTRY, OR THE INTERESTS OF LABOUR, IS THE ONLY THING TO BE HAD IN VIEW IN THE REGULATION OF THE MONEY LAWS OF ANY COUNTRY. We might as well hope for their opinions to reverse the views of gold with us as for their policies abroad, and to fix it at a low foreign price, thus perpetuating and increasing all the present miseries and degradation of our working-classes. And it behoves us then to think whether we can expect that the working men will stand quietly by, and see the threat of their now golden prospects thus suddenly cut by a conspiracy of Jews, money-mongers, and conspirators, headed by Sir Robert Peel. The attempt of the Foreigner to impose a tyranny at a gathering over the inferior power of the country will not be easily driven off, and the immediate adoption of Universal Suffrage, as the only means of preventing greater political changes.

Nothing but the most adroit political helplessness could have made the working-classes endure up to this day Sir Robert Peel's money law. To see this, and to be satisfied that no tyrant in any country has ever

taken the cause of so much suffering to his subjects as Sir R. Peel has been to our working-classes, we have only to understand the practical operation of his bill of 1819. Under it (gold here fixed down to the price abroad) our commercial history must necessarily be a succession of money panics, for it is utterly impossible to attain prosperity without 178 becoming the cause of immediate distress in this country. For instance—with wages near the starvation point in this country, the foreigner can, for £4, get either more gold than £3 10s. yards of cloth, or £3 10s. yards, and he may probably take the cloth in preference; but as soon as prosperity raises prices, say to £3 3d per yard, the foreigner finds his advantage in taking away our gold, of which, from its being fixed in price, he can still get an ounce, while of the cloth he can now only get 64 yards for £4—a state of things more galling and positively unjust to our home industry, as it is clear that for the commodity which the foreigner imports, he will obtain a higher price than the "property" price. The export of gold contrains banking facilities, and lessens the employment of the working-classes. Wages are thus brought back to the standard of our fixed price of gold, and the foreigner again comes into our markets. The moment however a brisk home trade again raises prices to the "property" point, then must the above horrid experience be re-enacted by one-day-well-fed-and-to-morrow-starving operatives.

Let us then see the prospect arising from an increased supply of gold, of the tables being turned on Sir Robert Peel and his bill, and if the price of gold goes down from £4 to £3 the ounce, the sovereign will essentially have become the same inconvertible counter which it has been the object of monetary reform to get at through the establishment of paper money (or money without intrinsic value). The fact which Sir Robert Peel built his erroneous theory of money (as consisting in the coinage of gold) on, is that, in the ounce being no longer the standard of value, gold as an article of export will no more come into competition with our manufactures. The money of the foreigner who spurned gold at a British price, because he had in his option THE COMMODITY GOLD at the foreign price, will thus come into our market, and by swelling the number of competitors for British labour, will still more enhance prices and diminish the issue of our paper money as a legal tender for payment in the London market, unless of course the only remedy while the foreign price was as high as our fixed price. In no other way could remunerative prices long be got by our manufacturers and producers, even when they had an extensive demand for their wares—while the article gold always existed equally cheap when scarce as when plentiful in this country. But if the foreign price of gold is to be greatly and permanently lower than £3 10s. yards, the retention of the sovereign as a quarter of an ounce of gold, or the sovereign for our pound sterling, will suit the same purpose of enabling prices of British commodities to rise to the level of the demand for them; and indeed WITH OUR FIXED PRICE ABOVE THE FOREIGN PRICE, THE USE BY US OF THE GOLD MONEY AS A LEGAL TENDER WILL BE FAR PREFERABLE, as having two inbuilt advantages which in our circumstances (as having adopted the principle of free imports) will be of vital importance. The first is that the foreigner will be induced to import gold into this country, and thus increase the wages of our working-classes. While he continues to make gold the basis of our bank-note circulation and facilities, it is evidently the interest of our industry that the greatest amount possible of gold be imported, as extending that basis, besides the import of gold being an evidence that we are, just as the export of it is an evidence that we are not exporting British labour. All therefore will readily perceive that we ought to prefer the sovereign as our legal tender for our exports, and that the price of gold is to be £3 10s. the ounce, if thereby we attain the two main objects of preventing gold being exported, and encouraging gold being imported in the greatest quantity.

FIRSTLY.—On the same principle (the defence of British industry) on which Monetary Reformers, when gold tended to advance above our fixed price

of £4 from excesses, opposed the pound sterling being at all times equal to a quarter of an ounce of gold, we must, in the now altered prospects, resist not only any increase of the weight of the sovereign (or, in other words, any lowering of the price of gold), but WHILE GOLD ABROAD REMAINS UNDER OUR NOMINAL PRICE OF £4, WE MUST PREFER THE PRESENT MONEY AW TO A SYSTEM OF PAPER MONEY CONVERTIBLE AT THE MARKET PRICE OF GOLD, AS THE FOREIGN TRADE OF THE UNITED STATES HAS PREVENTED THE EXPORT OF GOLD. In the latter way there would be more inducement to export gold as a speculation, as the foreigner would get more weight of gold for the paper pound. In the latter way, if the gold was worth £2 in the market, the paper pound would buy half-a-ounce of it, while in the former way the paper pound would only buy a sovereign, or a quarter of an ounce of gold. On the other hand, it is equally clear, that with the present system of fixed price, the paper pound will best check the export of gold, as then, with gold at £3 the ounce, the bearer of a pound note would only get 1/6th of an ounce by this system, while by the other he would demand a sovereign.

SECONDLY.—With the foreign price of gold below our fixed price, IT IS DECIDEDLY THE INTEREST OF OUR INDUSTRY THAT WE SHOULD SUSTAIN THE LAW AS IT NOW STANDS, AND PREFER THE GOLD TO THE PAPER COUNTER, AS THE EASIEST WAY TO HAVE THE AMERICAN SHARE OF THE LARGEST POSSIBLE SHARE OF THE GOLD NOW GETTING IN CALIFORNIA. The American will bring more gold here if he is sure to get, at the British Mint, four sovereigns for his ounce of gold, than if the nominal market price in London were £3, for he could not depend on getting British goods equally cheap in proportion. The price of commodities is only directly regulated by the demand for the particular articles, and (even at present) the low fixed price of gold greatly stimulates our foreign importers, our manufacturers through loading to its export, the price of gold has only an indirect and often remote effect on them to the extent it increases or decreases the demand for goods. Now (supposing wages to have risen 50 per cent, or the cloth to have risen in price to £4 6d, whose Peel or starvation price I assumed as £3), the American, if he got 4 sovereigns for his ounce of gold, could buy 93 yards of the cloth, whereas, were the nominal price of gold to be £3, he could buy 100 yards of the paper pounds, would only get 10 yards of the cloth at £3 10s. for his ounce of gold. Thus it is clear we should get more gold from America by sustaining our present money law, and this is vital for us, not only in securing us larger sales of manufactures, but as the less gold the Americans retain to themselves the slower will be the development of their banking system, and the less ability they will possess to hold their cotton for high prices, and to increase their manufacturing opposition to us. The Americans are keenly desirous of gold, and the Americans are required to send away, to carry their war in Mexico, the gold they drew from us in 1847, they could have held their cotton for indefinitely our manufacturing distress in this country.

I hope the vast importance of the SUBJECT OF MONEY at this particular moment will be held sufficiently in view for the great length of this attempt to satisfy those who have not the technical knowledge to judge of the subject, and to dissuade them from forming a judgment for themselves that (although with gold a acre and tending in value above our fixed price, our money ought to be paper pounds convertible into gold at its market price in this country), it will become the interest of our industry to sustain our present money law if the price of gold should fall so much abroad as to leave the SOVEREIGN so far above the foreign price as to be what monetary reformers have always desired to see the pound, PRACTICALLY AN INCONTOVERSTIBLE COUNTER.

Yours very respectfully,

ISAAC BUCHANAN,

Formerly Member for Toronto in the first Parliament of United Canada, and President of the Boards of Trade of Toronto and Hamilton, Upper Canada.

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